

**CITY OF HUNTINGTON BEACH**  
**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2003**  
**(IN THOUSANDS)**

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b>ASSETS:</b>			
Cash and Investments	\$ 7,136	\$ 15,354	\$ 22,490
Receivables	16,910	9,786	26,696
Inventories	-	1,154	1,154
Other Assets	4,143	-	4,143
Subtotal	28,189	26,294	54,483
Restricted Assets:			-
Cash and Investments	33,871	36,926	70,797
Cash with Fiscal Agent	22,850	-	22,850
Receivables	15,584	-	15,584
Land Held for Resale	11,024	-	11,024
Total Restricted Assets	83,329	36,926	120,255
Capital Assets :			
Non-Depreciable	335,240	15,910	351,150
Depreciable	245,965	73,224	319,189
Total Capital Assets	581,205	89,134	670,339
<b>TOTAL ASSETS</b>	<b>692,723</b>	<b>152,354</b>	<b>845,077</b>
<b>LIABILITIES:</b>			
Accounts Payable	2,741	4,107	6,848
Accrued Payroll	3,967	416	4,383
Deposits	1,663	1,457	3,120
Subtotal	8,371	5,980	14,351
Liabilities Payable from Restricted Assets:			-
Accounts Payable	3,489	-	3,489
Accrued Interest Payable	747	-	747
Deferred Revenue	3,389	-	3,389
Deposits	3,429	-	3,429
Total Liabilities Payable from Restricted Assets	11,054	-	11,054
Long-Term Obligations:			
Claims Payable	5,900	-	5,900
Long-Term Obligations Due Within One Year	30,882	323	31,205
Long-Term Obligations Due in More than One Year	152,118	550	152,668
Total Long-Term Obligations	188,900	873	189,773
<b>TOTAL LIABILITIES</b>	<b>208,325</b>	<b>6,853</b>	<b>215,178</b>
<b>NET ASSETS:</b>			
Investment in Capital Assets, Net of Related Debt	446,061	88,884	534,945
Restricted for:			
Debt Service	15,045	-	15,045
Capital Projects	13,017	-	13,017
Other Purposes	23,199	30,946	54,145
Total Restricted Net Assets	51,261	30,946	82,207
Unrestricted	(12,924)	25,671	12,747
<b>TOTAL NET ASSETS</b>	<b>\$ 484,398</b>	<b>\$ 145,501</b>	<b>\$ 629,899</b>

**CITY OF HUNTINGTON BEACH**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2003**  
(In Thousands)

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Current Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Expenses						
<b>Functions/Programs</b>						
<b>Governmental Activities:</b>						
City Council	\$ 267	\$ -	\$ -	\$ (267)	\$ -	\$ (267)
City Administrator	1,587	-	-	(1,587)	-	(1,587)
City Treasurer	1,341	-	-	(1,341)	-	(1,341)
City Attorney	2,899	-	-	(2,899)	-	(2,899)
City Clerk	559	82	-	(477)	-	(477)
Administrative Services	8,357	-	-	(8,357)	-	(8,357)
Planning	3,633	752	-	(2,881)	-	(2,881)
Building	3,045	3,067	-	22	-	22
Fire	19,490	1,157	-	(18,333)	-	(18,333)
Information Systems	4,401	-	79	(4,322)	-	(4,322)
Police	41,104	4,176	272	(36,021)	-	(36,021)
Economic Development	3,830	257	1,257	(2,316)	-	(2,316)
Community Services	9,989	9,433	-	322	-	322
Library Services	6,721	673	128	(5,920)	-	(5,920)
Public Works	25,386	3,356	-	(16,588)	-	(16,588)
Non-Departmental	25,604	5	-	(25,599)	-	(25,599)
Interest on Long-Term Debt	6,199	-	-	(6,199)	-	(6,199)
Total Governmental Activities	<b>164,412</b>	<b>22,958</b>	<b>1,736</b>	<b>(132,763)</b>	<b>-</b>	<b>(132,763)</b>
<b>Business-type Activities:</b>						
Water Utility	24,943	26,843	-	-	13,000	13,000
Sewer Service	3,775	5,876	-	-	2,101	2,101
Refuse Collection	9,681	9,123	-	-	(558)	(558)
Emerald Cove Housing	401	746	-	-	345	345
Emergency Fire Medical	3,765	4,103	-	-	338	338
Hazmat Service	150	233	-	-	83	83
Ocean View Estates	58	245	-	-	187	187
Total Business Type Activities	<b>42,773</b>	<b>47,169</b>	<b>-</b>	<b>-</b>	<b>15,496</b>	<b>15,496</b>
<b>Total Business and Government Type Activities</b>	<b>\$ 207,185</b>	<b>\$ 70,127</b>	<b>\$ 1,736</b>	<b>\$ 18,055</b>	<b>(132,763)</b>	<b>15,496 (117,267)</b>
<b>General Revenues:</b>						
<b>Taxes:</b>						
Property Taxes				40,633	-	40,633
Sales Taxes				28,011	-	28,011
Utility Taxes				18,310	-	18,310
Other Taxes				13,337	-	13,337
Total Taxes				<b>100,291</b>	<b>-</b>	<b>100,291</b>
<b>Other General Revenue:</b>						
Use of Money and Property				9,923	1,482	11,405
From Other Agencies				16,412	-	16,412
Other:				5,491	-	5,491
Total Other General Revenue				<b>31,826</b>	<b>1,482</b>	<b>33,308</b>
Transfers				5,537	(5,537)	-
Total General Revenues and Transfers				<b>137,654</b>	<b>(4,055)</b>	<b>133,599</b>
Change in Net Assets				<b>4,891</b>	<b>11,441</b>	<b>16,332</b>
Net Assets - Beginning of Year (Restated)				<b>479,507</b>	<b>134,060</b>	<b>613,567</b>
Net Assets - End of Year				<b>\$ 484,398</b>	<b>\$ 145,501</b>	<b>\$ 629,899</b>

**CITY OF HUNTINGTON BEACH  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2003**

	Other Major Governmental Funds					Total Major Governmental Funds	Other Governmental Funds	Total
	General Fund	Redevelopment Agency	Public Financing Authority	Grants	Property Tax Refund			
<b>ASSETS:</b>								
Cash and Investments	\$ 7,136	\$ 10,860	\$ -	\$ 1,010	\$ 2,369	\$ 21,375	\$ 19,632	\$ 41,007
Cash and Investments with Fiscal Agent	-	2,503	19,047	-	-	21,550	1,300	22,850
Taxes Receivable	16,910	2,252	-	-	-	19,162	1,067	20,229
Other Receivables	2,094	4,513	88	5,151	11	11,857	140	11,997
Unbilled Receivable	268	-	-	-	-	268	-	268
Due from Other Funds	3,048	-	-	-	-	3,048	4,123	7,171
Land Held for Resale	-	11,024	-	-	-	11,024	-	11,024
Other Assets	2,557	-	-	-	-	2,557	1,586	4,143
<b>TOTAL ASSETS</b>	<b>\$ 32,013</b>	<b>\$ 31,152</b>	<b>\$ 19,135</b>	<b>\$ 6,161</b>	<b>\$ 2,380</b>	<b>\$ 90,841</b>	<b>\$ 27,848</b>	<b>\$ 118,689</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Accounts Payable	\$ 2,741	\$ 126	\$ 2	\$ 1,440	\$ -	\$ 4,309	\$ 1,921	\$ 6,230
Accrued Payroll	3,785	16	-	57	-	3,858	109	3,967
Due to Other Funds	-	-	3,048	-	-	3,048	4,123	7,171
Deposits Payable	1,663	1,843	-	-	-	3,506	1,586	5,092
Deferred Revenue	2,950	3,602	-	3,370	-	9,922	19	9,941
Claims Payable	5,900	-	-	-	-	5,900	-	5,900
<b>TOTAL LIABILITIES</b>	<b>17,039</b>	<b>5,587</b>	<b>3,050</b>	<b>4,867</b>	<b>-</b>	<b>30,543</b>	<b>7,758</b>	<b>38,301</b>
<b>FUND BALANCES</b>								
Reserved for:								
Encumbrances	2,757	414	-	1,294	-	4,465	1,889	6,354
Long-Term Receivables	-	4,764	-	-	-	4,764	-	4,764
Debt Service	-	-	4,053	-	-	4,053	-	4,053
Capital Projects	-	-	12,032	-	-	12,032	-	12,032
Land Held for Resale	-	11,024	-	-	-	11,024	-	11,024
<b>Total Reserved Fund Balance</b>	<b>2,757</b>	<b>16,202</b>	<b>16,085</b>	<b>1,294</b>	<b>-</b>	<b>36,338</b>	<b>1,889</b>	<b>38,227</b>
Unreserved, Designated:								
Designated for Future Expenditure (Reported in):	-	8,378	-	-	-	8,378	-	8,378
Special Revenue Funds	-	-	-	-	-	-	603	603
Capital Projects Funds	-	-	-	-	-	-	10,220	10,220
Designated for Economic Uncertainties	9,984	-	-	-	-	9,984	-	9,984
Unreserved, Undesignated (Reported in):								
General Fund	2,233	-	-	-	-	2,233	-	2,233
Special Revenue Funds	-	-	-	-	-	-	9,796	9,796
Debt Service Funds	-	-	-	-	2,380	2,380	234	2,614
Capital Projects Funds	-	985	-	-	-	985	(2,652)	(1,667)
<b>Total Unreserved</b>	<b>12,217</b>	<b>9,363</b>	<b>-</b>	<b>-</b>	<b>2,380</b>	<b>23,960</b>	<b>18,201</b>	<b>42,161</b>
<b>TOTAL FUND BALANCES</b>	<b>14,974</b>	<b>25,565</b>	<b>16,085</b>	<b>1,294</b>	<b>2,380</b>	<b>60,298</b>	<b>20,090</b>	<b>80,388</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 32,013</b>	<b>\$ 31,152</b>	<b>\$ 19,135</b>	<b>\$ 6,161</b>	<b>\$ 2,380</b>	<b>\$ 90,841</b>	<b>\$ 27,848</b>	<b>\$ 118,689</b>

**CITY OF HUNTINGTON BEACH**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2003**  
**(in thousands)**

**Amounts reported for governmental activities in the  
statement of net assets are different because:**

Total Fund Balances Governmental Funds	\$ 80,388
Net capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	581,205
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	6,552
Accrued Interest Payable not Recorded in Liabilities	(747)
Long-term Liabilities, including bonds and certificates of participation payable are due and payable and therefore are not reported in the funds.	(188,900)
Current Portion of Claims Payable Included in Long-Term Liabilities that is already recorded in the fund statements	5,900
<b>Net Assets of Governmental Activities</b>	<b><u>\$ 484,398</u></b>

**CITY OF HUNTINGTON BEACH**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2003**  
**(IN THOUSANDS)**

	Other Major Governmental Funds					Total Major Governmental Funds	Other Governmental Funds	Total
	General Fund	Redevelopment Agency	Public Financing Authority	Grants	Property Tax Refund			
<b>REVENUES:</b>								
Property Taxes	\$29,688	\$ 9,099	\$ -	\$ -	\$ -	\$ 38,787	\$ 196	\$ 38,983
Sales Taxes	25,882	-	-	-	-	25,882	2,129	28,011
Utility Taxes	18,310	-	-	-	-	18,310	-	18,310
Other Taxes	11,845	1,492	-	-	-	13,337	-	13,337
Licenses and Permits	6,531	-	-	-	-	6,531	1,514	8,045
Fines and Forfeitures	3,815	-	-	-	-	3,815	-	3,815
From Use of Money and Property	6,843	-	892	596	62	8,393	1,530	9,923
From Other Agencies	10,885	-	-	5,749	-	16,634	8,469	25,103
Charges for Current Service	9,244	896	-	-	-	10,140	1,846	11,986
Other	967	232	-	252	-	1,451	703	2,154
<b>TOTAL REVENUES</b>	<b>124,010</b>	<b>11,719</b>	<b>892</b>	<b>6,597</b>	<b>62</b>	<b>143,280</b>	<b>16,387</b>	<b>159,667</b>
<b>EXPENDITURES</b>								
Current:								
City Council	269	-	-	-	-	269	-	269
City Administrator	1,559	-	-	-	-	1,559	-	1,559
City Treasurer	1,376	-	-	1	-	1,377	-	1,377
City Attorney	2,836	-	-	-	-	2,836	-	2,836
City Clerk	555	-	-	-	-	555	-	555
Administrative Services	8,323	-	-	-	-	8,323	-	8,323
Planning	2,403	-	-	141	-	2,544	-	2,544
Building	2,566	-	-	-	-	2,566	477	3,043
Fire	18,848	-	-	173	-	19,021	-	19,021
Information Systems	3,072	-	-	-	-	3,072	547	3,619
Police	40,825	-	-	284	-	41,109	75	41,184
Economic Development	843	1,398	-	1,087	-	3,328	288	3,616
Community Services	9,381	-	-	272	-	9,653	529	10,182
Library Services	3,192	-	-	157	-	3,349	866	4,215
Public Works	17,009	-	-	1,082	-	18,091	1,741	19,832
Non-Departmental	9,348	-	-	-	19,820	29,168	2,068	31,236
Capital Outlay	-	1,347	-	5,353	-	6,700	17,517	24,217
Debt Service:								
Principal	1,984	1,968	3,155	-	-	7,107	320	7,427
Interest	162	2,016	3,763	260	-	6,201	72	6,273
<b>TOTAL EXPENDITURES</b>	<b>124,551</b>	<b>6,729</b>	<b>6,918</b>	<b>8,810</b>	<b>19,820</b>	<b>166,828</b>	<b>24,500</b>	<b>191,328</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(541)</b>	<b>4,990</b>	<b>(6,026)</b>	<b>(2,213)</b>	<b>(19,758)</b>	<b>(23,548)</b>	<b>(8,113)</b>	<b>(31,661)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	8,072	24,163	4,819	2,736	-	39,790	14,673	54,463
Proceeds from Agency Fund	-	-	-	-	2,318	2,318	-	2,318
Reclassification of Interfund Advances	-	16,018	-	-	-	16,018	-	16,018
Proceeds of Long-Term Debt	-	1,684	-	-	19,820	21,504	2,370	23,874
Long-Term Debt from Internal Service Funds	(1,610)	-	-	-	-	(1,610)	-	(1,610)
Capital Assets Reclassifications for Change in Fund Type	-	-	-	-	-	-	(1,743)	(1,743)
Transfers Out	(32,692)	(8,260)	(7,003)	(2,142)	-	(50,097)	(6,999)	(57,096)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(26,230)</b>	<b>33,605</b>	<b>(2,184)</b>	<b>594</b>	<b>22,138</b>	<b>27,923</b>	<b>8,301</b>	<b>36,224</b>
<b>INCREASE (DECREASE) IN FUND BALANCES</b>	<b>(26,771)</b>	<b>38,595</b>	<b>(8,210)</b>	<b>(1,619)</b>	<b>2,380</b>	<b>4,375</b>	<b>188</b>	<b>4,563</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>41,745</b>	<b>(13,030)</b>	<b>24,295</b>	<b>2,913</b>	<b>-</b>	<b>55,923</b>	<b>19,902</b>	<b>75,825</b>
<b>FUND BALANCE- END OF YEAR</b>	<b>\$ 14,974</b>	<b>\$ 25,565</b>	<b>\$ 16,085</b>	<b>\$ 1,294</b>	<b>\$ 2,380</b>	<b>\$ 60,298</b>	<b>\$ 20,090</b>	<b>\$ 80,388</b>



**CITY OF HUNTINGTON BEACH**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2003**  
(in thousands)

	Water Fund	Sewer Service Fund	Refuse Fund	Total Major Enterprise Funds	Non-Major Enterprise Funds	Total
<b>ASSETS</b>						
<b>Current Assets:</b>						
Cash and Investments	\$ 42,042	\$ 5,990	\$ -	\$ 48,032	\$ 4,248	\$ 52,280
Other Receivables	4,324	653	1,026	6,003	1,414	7,417
Inventories	1,154	-	-	1,154	-	1,154
Unbilled Receivable	1,711	264	394	2,369	-	2,369
Due from Other Funds	1,527	-	-	1,527	-	1,527
<b>Total Current Assets</b>	<b>50,758</b>	<b>6,907</b>	<b>1,420</b>	<b>59,085</b>	<b>5,662</b>	<b>64,747</b>
<b>Capital Assets:</b>						
Land	3,907	-	-	3,907	3,933	7,840
Buildings	30,723	1,219	-	31,942	4,662	36,604
Improvements Other than Buildings	-	2,653	-	2,653	-	2,653
Machinery and Equipment	6,107	191	-	6,298	1,106	7,404
Infrastructure	51,370	35,434	-	86,804	-	86,804
Construction in Process	8,072	-	-	8,072	-	8,072
Less Accumulated Depreciation	(40,149)	(18,229)	-	(58,378)	(1,865)	(60,243)
<b>Total Capital Assets</b>	<b>60,030</b>	<b>21,268</b>	<b>-</b>	<b>81,298</b>	<b>7,836</b>	<b>89,134</b>
<b>TOTAL ASSETS</b>	<b>110,788</b>	<b>28,175</b>	<b>1,420</b>	<b>140,383</b>	<b>13,498</b>	<b>153,881</b>
<b>LIABILITIES</b>						
<b>Current Liabilities:</b>						
Accounts Payable	2,861	191	766	3,818	289	4,107
Accrued Payroll	233	53	17	303	113	416
Due to Other Funds	-	-	1,527	1,527	-	1,527
Deposits Payable	1,418	-	-	1,418	39	1,457
Current Portion of Claims and Leases	323	-	-	323	-	323
<b>Total Current Liabilities</b>	<b>4,835</b>	<b>244</b>	<b>2,310</b>	<b>7,389</b>	<b>441</b>	<b>7,830</b>
<b>Liabilities Payable from Restricted Assets</b>						-
<b>Non-Current Liabilities:</b>						
Compensated Absences	397	122	-	519	104	623
Capital Leases	250	-	-	250	-	250
Less Current Portion of Claims and Leases	(323)	-	-	(323)	-	(323)
<b>Total Non-Current Liabilities</b>	<b>324</b>	<b>122</b>	<b>-</b>	<b>446</b>	<b>104</b>	<b>550</b>
<b>TOTAL LIABILITIES</b>	<b>5,159</b>	<b>366</b>	<b>2,310</b>	<b>7,835</b>	<b>545</b>	<b>8,380</b>
<b>NET ASSETS</b>						
Invested in Capital Assets, Net of Related Debt	59,780	21,268	-	81,048	7,836	88,884
Restricted for:						
Other Purposes	30,946	-	-	30,946	-	30,946
Unrestricted	14,903	6,541	(890)	20,554	5,117	25,671
<b>TOTAL NET ASSETS</b>	<b>\$ 105,629</b>	<b>\$ 27,809</b>	<b>\$ (890)</b>	<b>\$ 132,548</b>	<b>\$ 12,953</b>	<b>\$ 145,501</b>

**CITY OF HUNTINGTON BEACH**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**  
**(in thousands)**

	<b>Water Fund</b>	<b>Sewer Service Fund</b>	<b>Refuse Fund</b>	<b>Total Major Enterprise Funds</b>	<b>Non-Major Enterprise Funds</b>	<b>Total</b>
<b>OPERATING REVENUES:</b>						
Sales	\$ 25,883	\$ -	\$ -	\$ 25,883	\$ -	\$ 25,883
Rentals	-	-	-	-	959	959
Fees for Service	-	5,876	9,069	14,945	4,276	19,221
Other	960	-	54	1,014	92	1,106
<b>TOTAL OPERATING REVENUES</b>	<b>26,843</b>	<b>5,876</b>	<b>9,123</b>	<b>41,842</b>	<b>5,327</b>	<b>47,169</b>
<b>OPERATING EXPENSES:</b>						
Water Purchases	8,501	-	-	8,501	-	8,501
Supplies and Operations	3,418	3,055	9,681	16,154	4,154	20,308
Engineering	657	-	-	657	-	657
Production	3,104	-	-	3,104	-	3,104
Maintenance	2,040	-	-	2,040	-	2,040
Water Meters	1,085	-	-	1,085	-	1,085
Water Quality	301	-	-	301	-	301
In-Lieu Taxes to General Fund	3,909	-	-	3,909	-	3,909
Depreciation	1,928	720	-	2,648	220	2,868
<b>TOTAL OPERATING EXPENSES</b>	<b>24,943</b>	<b>3,775</b>	<b>9,681</b>	<b>38,399</b>	<b>4,374</b>	<b>42,773</b>
<b>OPERATING INCOME (LOSS)</b>	<b>1,900</b>	<b>2,101</b>	<b>(558)</b>	<b>3,443</b>	<b>953</b>	<b>4,396</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>						
Interest Income	1,253	118	33	1,404	78	1,482
Capital Improvement Fees	6,469	-	-	6,469	-	6,469
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>7,722</b>	<b>118</b>	<b>33</b>	<b>7,873</b>	<b>78</b>	<b>7,951</b>
<b>CHANGE IN NET ASSETS BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS:</b>	<b>9,622</b>	<b>2,219</b>	<b>(525)</b>	<b>11,316</b>	<b>1,031</b>	<b>12,347</b>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS:</b>						
Transfers In	-	-	-	-	35	35
Transfers Out	(3,018)	-	-	(3,018)	(2,554)	(5,572)
Capital Contributions	97	4,534	-	4,631	-	4,631
<b>TOTAL TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	<b>(2,921)</b>	<b>4,534</b>	<b>-</b>	<b>1,613</b>	<b>(2,519)</b>	<b>(906)</b>
<b>TOTAL CHANGE IN NET ASSETS</b>	<b>6,701</b>	<b>6,753</b>	<b>(525)</b>	<b>12,929</b>	<b>(1,488)</b>	<b>11,441</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>98,928</b>	<b>21,056</b>	<b>(365)</b>	<b>119,619</b>	<b>14,441</b>	<b>134,060</b>
<b>NET ASSETS- END OF YEAR</b>	<b>\$ 105,629</b>	<b>\$ 27,809</b>	<b>\$ (890)</b>	<b>\$ 132,548</b>	<b>\$ 12,953</b>	<b>\$ 145,501</b>



**CITY OF HUNTINGTON BEACH**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**  
**(in thousands)**

	<b>Water Fund</b>	<b>Sewer Service Fund</b>	<b>Refuse Fund</b>	<b>Total Major Enterprise Funds</b>	<b>Non-Major Enterprise Funds</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>						
Cash Received from Customers and Users	\$ 29,025	\$ 5,845	\$ 9,351	\$ 44,221	\$ 5,788	\$ 50,009
Cash Paid to Employees for Services	(4,733)	(1,222)	(179)	(6,134)	(1,649)	(7,783)
Cash Paid to Suppliers of Goods and Services	(20,809)	(1,507)	(9,646)	(31,962)	(2,522)	(34,484)
Other Operating Items	(1,527)	-	441	(1,086)	60	(1,026)
<b>Net Cash Provided (Used) by Operating Items</b>	<b>1,956</b>	<b>3,116</b>	<b>(33)</b>	<b>5,039</b>	<b>1,677</b>	<b>6,716</b>
<b>Cash Flows from Noncapital Financing Activities:</b>						
Transfers In	-	-	-	-	35	35
Transfers Out	-	-	-	-	(2,554)	(2,554)
<b>Net Cash Provided (Used) by Non Capital Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,519)</b>	<b>(2,519)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Purchase of Plant, Property, and Equipment	(8,853)	-	-	(8,853)	-	(8,853)
Principal Paid on Long-Term Debt	-	-	-	-	(281)	(281)
Capital Surcharge	6,469	-	-	6,469	-	6,469
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(2,384)</b>	<b>-</b>	<b>-</b>	<b>(2,384)</b>	<b>1,532</b>	<b>(852)</b>
<b>Cash Flows from Investing Activities</b>	<b>1,253</b>	<b>118</b>	<b>33</b>	<b>1,404</b>	<b>78</b>	<b>1,482</b>
Cash Received from Investments	825	3,234	-	4,059	768	4,827
<b>Net Increase in Cash and Cash Equivalents</b>	<b>41,217</b>	<b>2,756</b>	<b>-</b>	<b>43,973</b>	<b>3,480</b>	<b>47,453</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>\$ 42,042</b>	<b>\$ 5,990</b>	<b>\$ -</b>	<b>\$ 48,032</b>	<b>\$ 4,248</b>	<b>\$ 52,280</b>
<b>Cash and Cash Equivalents, End of Year</b>						

<b>Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities</b>						
Operating Income (Loss)	\$ 1,900	\$ 2,101	\$ (558)	\$ 3,443	\$ 953	\$ 4,396
<b>Adjustments to Reconcile Operating income to Net Cash Provided (Used) by Operating Activities</b>						
Depreciation	1,928	720	-	2,648	220	2,868
Decrease (Increase) in Accounts Receivable	(2,534)	(363)	(565)	(3,462)	287	(3,175)
Decrease (Increase) in Unbilled Receivables	2,304	350	847	3,501	-	3,501
Decrease (Increase) in Prepaid Insurance	-	-	-	-	-	-
Decrease (Increase) in Advances to Other Funds	2,894	-	-	2,894	-	2,894
Decrease (Increase) in Due from Other Funds	(1,527)	-	-	(1,527)	-	(1,527)
Decrease (Increase) in Inventory	(50)	-	-	(50)	-	(50)
Increase (Decrease) in Accounts Payable	68	190	35	293	95	388
Increase (Decrease) in Accrued Payroll	72	(4)	8	76	65	141
Increase (Decrease) in Due to Other Funds	-	-	235	235	-	235
Increase (Decrease) in Claims Payable	-	-	-	-	-	-
Increase (Decrease) in Advances from Other Funds	(3,018)	-	-	(3,018)	-	(3,018)
Increase (Decrease) in Deposits	(92)	-	-	(92)	12	(80)
Increase (Decrease) in Compensated Absences	11	122	(35)	98	45	143
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 1,956</b>	<b>\$ 3,116</b>	<b>\$ (33)</b>	<b>\$ 5,039</b>	<b>\$ 1,677</b>	<b>\$ 6,716</b>

**CITY OF HUNTINGTON BEACH  
STATEMENT OF FIDUCIARY FUND NET ASSETS  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2003**

	Total Agency Funds	Trust Fund - Retirement Supplemental Fund
<b>Assets:</b>		
Cash and Investments	\$ 7,552	\$ 10,474
Cash with Fiscal Agent	2,119	-
Accounts Receivable, Net	445	51
<b>Total Assets</b>	<b>\$ 10,116</b>	<b>\$ 10,525</b>
<b>Liabilities:</b>		
Accounts Payable	\$ -	2
Due to Bondholders	3,369	-
<b>Total Liabilities</b>	<b>3,369</b>	<b>2</b>
<b>Net Assets:</b>		
Held in Trust for Pension Benefits and Other Purposes	<b>\$ 6,747</b>	<b>\$ 10,523</b>

**CITY OF HUNTINGTON BEACH  
STATEMENT OF CHANGES IN FIDUCIARY FUND NET ASSETS  
TRUST FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	Trust Fund - Retirement Supplemental Fund
<b>Additions:</b>	
Employer Contributions	\$ 3,036
Interest Income	216
<b>Total Additions</b>	<b>\$ 3,252</b>
<b>Deductions:</b>	
Benefits	1,505
<b>Change in Net Assets</b>	<b>1,747</b>
Net Assets- Beginning of Year	8,776
<b>Net Assets- End of Year</b>	<b>\$ 10,523</b>